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2 State of California  
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6 Attorneys for Complainant  
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10 **BEFORE THE BOARD OF ACCOUNTANCY**  
11 **DEPARTMENT OF CONSUMER AFFAIRS**  
12 **STATE OF CALIFORNIA**  
13

14 In the Matter of the Accusation Against:

Case No.: AC-2000-13

15 JOHN FREDERICK RAMSEY,  
2443 Chesire Court  
16 San Leandro, CA 94577

**DEFAULT DECISION**

17 Certified Public Accountant Certificate # 24779

18 Respondent.  
19

20 Service having been obtained on respondent John Frederick Ramsey  
21 ("respondent") at his address of record, in compliance with sections 11505(a) and 11505(c) of the  
22 Government Code, and respondent having failed to file a notice of defense within the time  
23 allowed by section 11506 (a) of the Government Code, the Board of Accountancy has  
24 determined that respondent has waived his right to a hearing to contest the merits of the  
25 accusation in accordance with sections 11506(b) and 11520 of the Government Code.  
26 Accordingly, the aforementioned agency makes the following findings of fact:  
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**FINDINGS OF FACT**

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2           1. Carol B. Sigmann was at the time of filing the accusation, the Executive Officer of the  
3 Board of Accountancy, Department of Consumer Affairs, State of California and filed  
4 accusation No. AC-2000-13 in her official capacity and not otherwise. (A copy of the  
5 accusation is attached hereto as Exhibit A.)

6           2. On or about June 17, 1977, the Board issued Certified Public Accountant Certificate  
7 No. 24779 to respondent John Frederick Ramsey ("respondent). The certificate will expire on  
8 April 30, 2001.

9           3. On June 10, 1999, respondent entered guilty pleas in Alameda County Superior Court  
10 to a felony violation of section 503 of the Penal Code (embezzlement), to a felony violation of  
11 section 25110/25540 of the Corporations Code (selling unqualified securities) and admitted a  
12 financial enhancement for a taking of over \$50,000 pursuant to Penal Code section 12022.6(a).  
13 On September 16, 1999, respondent was sentenced pursuant to his guilty pleas to serve four  
14 years and eight months in state prison and was remanded on that date to the California State  
15 prison at San Quentin.

16           4. The circumstances underlying respondent's convictions are as follows: Commencing  
17 in approximately 1990, respondent engaged in business enterprises which involved trading in  
18 foreign currencies, one of which (Summit Financial Group) was respondent's own enterprise. In  
19 the course of these business activities, respondent solicited money from clients ostensibly for  
20 investment in foreign currencies. In truth and in fact, respondent mis-appropriated a large  
21 amount of the money he solicited from clients to pay his own personal expenses and to provide  
22 early clients with "returns" on their investments in order to secure further investments from them  
23 and in order to lure new clients to his scheme by creating the false appearance of a sound return  
24 on investments. Respondent also knowingly distributed false and misleading financial  
25 information to his clients indicating that they were receiving returns on their investments which  
26 they were not, in fact, receiving. In aggravation of respondent's offenses, he took a large amount  
27 of money (over \$50,000) from his primarily elderly clients, none of which he has repaid to date.  
28

1 DETERMINATION OF ISSUES

2 5. Respondent's conduct as set forth in paragraph 4 constitutes unprofessional conduct  
3 and is cause for disciplinary action pursuant to Business and Professions Code section 5100(a).  
4


5 ORDER

6 **WHEREFORE**, the Board of Accountancy makes the following order:

7 CPA Certificate No. 24779 issued to respondent John Frederick Ramsey is hereby  
8 revoked.

9 This decision shall become effective on the <sup>21</sup> day of 2000 (July)

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11 Dated: June 21, 2000

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President, Board of Accountancy

# EXHIBIT A

1 BILL LOCKYER  
2 Attorney General of the  
3 State of California  
4 CHRISTIANA TIEDEMANN  
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12 **BEFORE THE BOARD OF ACCOUNTANCY**  
13 **DEPARTMENT OF CONSUMER AFFAIRS**  
14 **STATE OF CALIFORNIA**

15 In the Matter of the Accusation Against:

Case No.: AC-2000-13

**ACCUSATION**

16 JOHN FREDERICK RAMSEY  
17 2443 Chesire Court  
18 San Leandro, CA 94577

19 Certified Public Accountant  
20 Certificate No. 24779

21 Respondent.

22 Complainant Carol B. Sigmann as cause for disciplinary action alleges:

23 1. Complainant is the Executive Officer of the California Board of Accountancy  
24 ("Board") and makes and files this accusation solely in her official capacity.

**LICENSE INFORMATION**

25 2. On or about June 17, 1977, the Board issued Certified Public Accountant Certificate  
26 No. 24779 to respondent John Frederick Ramsey ("respondent"). At all times pertinent to the  
27 allegations set forth herein, the certificate was current and in full force and effect. The certificate  
28 will expire, subject to renewal, on April 30, 2001.

## STATUTES AND REGULATIONS

3. Section 5100 of the California Business and Professions Code provides in pertinent part that, after notice and hearing, the Board may revoke, suspend or refuse to renew any permit or certificate issued by the Board for unprofessional conduct. Unprofessional conduct is defined in section 5100 to include, but not to be limited to:

(a) Conviction of a crime which is substantially related to the qualifications, functions and duties of a certified public accountant.

4. Section 5107 of the Business and Professions Code provides in pertinent part for recovery by the Board of all reasonable costs of investigation and prosecution of specified disciplinary cases, including, but not limited to, recovery of attorneys fees incurred by the Board. Section 5107 further provides that a certified copy of the actual costs, or a good faith estimate of costs, signed by the Executive Officer, constitutes prima facie evidence of reasonable costs of investigation and prosecution of a case.

## CAUSE FOR DISCIPLINE

5. Respondent is subject to disciplinary action pursuant to Business and Professions Code section 5100(a) in that on June 10, 1999, respondent entered guilty pleas in Alameda County Superior Court to a felony violation of section 503 of the Penal Code (embezzlement), to a felony violation of section 25110/25540 of the Corporations Code (selling unqualified securities) and admitted a financial enhancement for a taking of over \$50,000 pursuant to Penal Code section 12022.6(a). On September 16, 1999, respondent was sentenced pursuant to his guilty pleas to serve four years and eight months in state prison and was remanded on that date to California State Prison, at San Quentin.

6. The circumstances underlying respondent's convictions are as follows: Commencing in approximately 1990, respondent engaged in business enterprises which involved trading in foreign currencies, one of which (Summit Financial Group) was respondent's own enterprise. In the course of these business activities, respondent solicited money from clients ostensibly for investment in foreign currencies. In truth and in fact, respondent mis-appropriated a large amount of the money he solicited from clients to pay his own personal expenses and to provide


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3 on investments. Respondent also knowingly distributed false and misleading financial  
4 information to his clients indicating that they were receiving returns on their investments which  
5 they were not, in fact, receiving. In aggravation of respondent's offenses, he took a large  
6 amount of money (over \$50,000) from his primarily elderly clients, none of which he has repaid  
7 to date.

#### 8 PRAYER

9 Wherefore, complainant requests that the Board hold a hearing on the matters alleged  
10 herein and that following the hearing, the Board issue a decision:

- 11 1. Revoking, suspending or otherwise imposing discipline on Certified Public  
12 Accountant Certificate 24779;  
13 2. Awarding the Board costs, including attorneys fees, as authorized by statute; and  
14 3. Taking such other and further actions as the Board deems proper.

15  
16 Dated: 1/14/00

  
CAROL B. SIGMANN  
Executive Officer  
Board of Accountancy

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18 Complainant  
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